GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:4918
ANSWERED ON:24.08.2001
LOSSES BY HMT
IQBAL AHMED SARADGI

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether HMT Limited and its subsidiaries have decided to cut losses in the first year of rehabilitation;

(b) if so, the details thereof;

(c) whether the HMT has been split into four companies;

(d) if so, the details thereof; and

(e) the steps the Government propose to take to reduce its losses?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) to (e): Yes, Sir. Under the turnaround plan for HMT, financial restructuring involving conversion of Government loan into equity and waiver of interest thereon has brought down the interest burden on the company. Part of the cash infusion has been utilized to retire high cost debts. Manpower rationalization by way of introduction of VRS has brought down manpower cost.Three subsidiaries have been formed under HMT Limited, the holding company viz. HMT MachineTools Limited, HMT Watches Limited and HMT Chinar Watches Limited which will bring more focused business approach. During 2000-2001 HMT, the holding company made a profit of Rs.24.41 crore against a loss of Rs.3.52 crore in the previous year. Its newly formed subsidiaries viz. HMTMachine Tools Limited, HMT Watches Limited and HMT Chinar Watches Limited have incurred lossesof Rs.96.17 crore, Rs.59.18 crore and Rs.7.95 crore respectively in 2000-2001 against the losses of Rs.88.76 crore, Rs.168.89 crore and Rs.35.74 crore respectively in the previous year.